



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Department of Financial Institutions, Securities Division

Subject of possible rule making: The Securities Division is planning to propose rules to preserve filing requirements in connection with offerings of securities to be made under the Securities and Exchange Commission's newly adopted federal crowdfunding rules.

Statutes authorizing the agency to adopt rules on this subject: RCW 21.20.327; 21.20.340; 21.20.450.

Reasons why rules on this subject may be needed and what they might accomplish: The Securities Division is planning to propose rules to preserve filing requirements in connection with offerings conducted under newly adopted federal crowdfunding rules so that it may provide oversight of these offerings in the interest of investor protection.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:
Title III of the Jumpstart Our Business Startups (JOBS) Act amended Section 4 of the Securities Act of 1933 to create a new federal exemption for offerings of securities in crowdfunding campaigns. On October 30, 2015, the Securities and Exchange Commission adopted final rules that will implement this new exemption. See Regulation Crowdfunding, Release Nos. 33-9974; 34-76324, available at <http://www.sec.gov/rules/final/2015/33-9974.pdf>.

The JOBS Act further amended Securities Act Section 18(b)(4) to preempt the ability of states to require registration of crowdfunding offerings conducted pursuant to federal law. However, states retain the authority to require notice filings of crowdfunding offerings if a state is the principal place of business of the issuer or if a state is home to purchasers of 50% or more of the aggregate value of the securities offered in the crowdfunding campaign. The Securities Division is filing this notice to commence the rulemaking process to require notice filings as permitted by federal law.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
☐ Pilot rule making
☐ Agency study
☒ Other (describe) The Securities Division will adopt rules after considering all comments received.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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DATE
December 17, 2015

NAME (TYPE OR PRINT)
William M. Beatty

SIGNATURE

TITLE
Securities Administrator

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STATE OF WASHINGTON
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